STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

AMEREN ILLINOIS COMPANY **d/b/a Ameren Illinois**	)	
	)	Docket No. 13-0498
Approval of the Energy Efficiency and Demand-Response Plan Pursuant to 220 ILCS 5/8-103 and 220 ILCS 5/8-104 of the Public Utilities Act	)	

REPLY BRIEF OF
THE PEOPLE OF THE STATE OF ILLINOIS

PEOPLE OF THE STATE OF ILLINOIS
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TABLE OF CONTENTS

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	)	
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The People of the State of Illinois, by and through Lisa Madigan, Attorney General of the State of Illinois ("the People" or "AG"), pursuant to the schedule established by the Administrative Law Judges ("ALJs"), hereby file their Reply Brief in the above-captioned proceeding.

I. INTRODUCTION

This Reply Brief, primarily addresses arguments presented in the Briefs filed by Ameren Illinois Company ("AIC" or "the Company"). Failure to respond to an argument presented in any Initial Brief should not be construed as concurrence with that particular position.

a. Electric and Gas Savings Goals and Spending Limits
b. Proposed Modified Goals
  i. Explanation of Proposed Modified Goals
    a. Proposed Electric Goals
    b. Proposed Gas Goals
  ii. Adequacy of Savings Goals

While no party challenged AIC's position that the program cost cap found in Section 8-103(d) and 8-104(d) prevented the Company from meeting either its statutory electric or gas savings goals, AG, NRDC and CUB expert witnesses all found the Ameren proposed level of savings to be unnecessarily and unjustifiably low. In the AG's Initial Brief, for example, the People argued that AIC's proposed energy savings should be adjusted upward to reflect a more fact-based and achievable level, that takes into account past performance as well as updated federal lighting standards. AG Initial Brief at 12-18. NRDC, CUB and ELPC likewise supported a Commission Order calling for revised, increased savings goals. *See* NRDC IB at 6-13; CUB IB at 4-10; ELPC IB at 5-6.

In its Brief, Ameren argues that first that "It is understandable that other parties would want the Commission to include each and every one of their respective proposals, but the Act places the responsibility on the utilities to meet the savings goals – not AG, NRDC or CUB." AIC Reply Brief at 18. This statement, however, does nothing to justify the savings goals that AG, NRDC and CUB witnesses all found to be lacking in number.

Ameren further argues that it would be unfair to compare its proposed savings goals with past performance (wherein Ameren exceeded savings goals), opining that the Company "should not be put at risk in the future of not achieving savings goals because it has tried to go above and beyond its savings goals in the past." AIC Reply Brief at 17. In response to Mr. Mosenthal's and NRDC witness Grevatt's criticisms of AIC's inflated cost estimates for CFLs, Ameren adjusted its proposed cost per bulb don from $2.52 to $2.31 per bulb. AIC Ex. 7.0 at 4. Ameren urges the Commission, with that adjustment to accept its proposed level of savings in its Rebuttal filing. However, as noted in the AG Initial Brief, this slight adjustment is insufficient given the facts in the record.

First, the proposed $2.31 cost per bulb proposal is still significantly higher than the $1.58 per bulb cost for standard CFLs in AIC's PY5, as shown in the Company's own exhibits. *See* AIC Ex. 7.0 at 4. The bulk of this increase is related to significantly higher contractor costs, according to the AIC data. *Id.* Ameren indicates this is primarily driven by substantial increases in contractor costs in PY6 to support a large increase in bulb volume from 2.5 million to 4.0 million. *Id.* However, the PY7 plan is to only promote 2.5 million bulbs, consistent with PY5, and then decreases in further in future years. In addition, because of the phase in of federal lighting standards and general maturation of the CFL market during Plan 3 it should be easier for Ameren to reach these levels with lower contractor effort than in PY5. Ameren simply has not explained why the CFL cost per bulb – a main driver in electric program costs, thereby impacting proposed savings goals levels – is priced so much higher than in previous years.

As noted in the AG Initial Brief, the Illinois Technical Reference Manual – developed by both utility and stakeholder experts over the course of the last year – lists an incremental cost of $1.50 for the retail CFL markdown program – significantly lower than the cost per bulb Ameren's proposed savings numbers assume. In addition, as noted by AG witness Mosenthal, prices for CFLs have come down as compared to previous years, the Company has gained experience marketing the program over several years and the Illinois Power Agency has assumed responsibility for the more expensive specialty CFLs under Section 16-111.5B of the Act. All of these factors leave AIC's proposed CFL cost per bulb figures suspect.

As shown at page 13 of the AG Initial Brief, even when AIC's costs per kwh saved from PY 4 are adjusted to reflect a decrease in savings of 30-40% as a result of changing federal standards, and a lower Net-to-Gross savings ratio, resulting costs are still only half of what Ameren is proposing in Plan 3. *See* AG Initial Brief at 12-13. Mr. Mosenthal's conservative estimate of savings, too, it was shown, align with Commonwealth Edison Company's ("ComEd") proposed $/kwh saved of 0.14 cents in its pending Plan 3 in Docket No. 13-0495.

Updating the AIC savings as proposed by the AG would change the total portfolio, cumulative three-year goal from 599,553 MWh to 659,640 MWh, an increase of about 10% over Ameren's proposed goal, as shown in the table below:

Standard CFL Program	PY 7	PY 8	PY 9
Costs	$6,351,096	$6,351,096	$6,351,096
Original Savings (MWh)	19,677	21,769	22,401
Updated Savings (MWh)	38,195	42,256	43,483
Original $/kwh	0.32	0.29	0.28
Updated $/kwh	0.17	0.15	0.15

AG Ex. 1.0 at 13[1].

In its Brief, Staff did not challenge AIC's figures, and simply argued that given the low market prices for electricity and natural gas, there are few cost-effective measures available. Staff Brief at 8. Staff argues that in addition to the cost cap in Sections 8-103(d) and 8-104(d), "lower gas and electricity prices also reduce the budget available for the EE portfolio" as well as the incentive for customers to participate in energy efficiency programs. *Id.* But these arguments do not address the unexplained, inflated AIC CFL program costs. Staff's position on this point should be rejected.

[1] Note that the $/kWh declines slightly from PY 7 to PY 9 because PY 8 and PY 9 include carry-forward savings from PY 7 and PY 8, while PY 7 does not include carry-forward savings from PY 5 and PY 6.[1] Excluding the carry-forward savings, there would be a slight increase in $/kWh, since it is assumed the NTG ratio will decline from PY 7 to PY 9. AG Ex. 1.0 at 13-14.

For all of the reasons cited above and in the AG Initial Brief, the Commission should order Ameren to file a revised plan under Section 8-103(f) of the Act that modifies its CFL program costs per bulb and reflects the modified electric savings goals of 659,640 MWh, rather than AIC's unsupported 599,553 MWh savings figure.

C. Staff and Intervenor Proposed Changes To The Plan

1. Proposed Changes to Ameren Illinois' Proposed Programs

(a) Removing Programs from the Plan to the IPA Procurement Plan

The AG Initial Brief highlighted the available opportunities both in this docket and in the IPA Procurement docket, ICC Docket No. 13-0546, to expand and transfer certain tried and true residential energy efficiency programs, such as residential CFL and Behavioral programs, to the IPA's Section 16-111.5B portfolio, thereby enabling Ameren to invest more dollars in Section 8-103 residential programs that create deeper, longer-lived savings while simultaneously freeing up program dollars to invest in commercial and industrial programs that tend to produce relatively greater energy savings. *See* AG Initial Brief at 18-28. Under the AG-recommended program approach, the utilities could bid expansions into the IPA portfolio in July, conditional upon Section 8-103 program approval by the Commission. Because of the extensive work involved in developing three-year plans, utilities already have a clear sense of the programs they are planning at this point. While ideally the People recommend synchronizing the IPA and Section 8-103 planning cycles and extending the IPA's energy efficiency planning process to three years (as ComEd has proposed in the IPA procurement docket), this simple change, at a minimum, would resolve this timing issue unless and until the General Assembly addresses this filing timing difference. *At a minimum*, the People urge Commission should enter an order that requires Ameren to include the standard CFL and Behavior programs in their package of programs presented to the IPA in years 8 and 9 (2015 and 2016) of this three-year plan. This position is supported by both the NRDC and CUB. *See* NRDC Ex. 1.0 at 21; CUB Ex. 2.0 at 5-6. CUB, however, disagrees with how the freed up funds should be spent, arguing that CUB believes it is most equitable to use funds collected from a customer class on programs delivered to that specific customer class. *Id.*

In its Brief, AIC objects to the proposed transfer on several grounds. First, the Company argues that those programs offered as part of the annual procurement plan of the IPA are offered pursuant to a different section of the Act, and are subject to different rules regarding a unique bidding/assessment/approval process, allowance of competing or duplicative programs, contracting parameters and ultimate inclusion for implementation. AIC further complains that there are no provisions in either statute that authorize removing programs from Section 8-103 with the hope that those programs separately get bid into, reviewed and approved to be a part of the IPA Procurement Plan. Finally, AIC opines that the AG recommendation is unlawful (similar to CUB's complaint) because Section 8-103 "requires a diverse cross-section of opportunities for customers of all rate classes to participate in the programs" (220 ILCS 5/8-103(f)(5)), and that transferring residential funds to commercial/industrial programs would be contrary to that provision.

To be clear, the OAG is not recommending that statutory provisions in Section 16-111.5B regarding bidding and IPA approval processes be avoided or ignored. Neither is the AG suggesting that residential customers pay money into Section 8-103 programs but not obtain their fair share of the programs offered commensurate with that revenue collection. That position would be absurd in light of the AG's statutory representation of residential customers in all proceedings before the Commission.

The point is to highlight a glaring inefficiency in AIC's selection of programs as presented to both the IPA under Section 16-111.5B and the ICC under Section 8-103, its failure to abide by the directive that IPA programs constitute *expansions* of Section 8-103 programs (220 ILCS 5/16-111.5B(a)(2), (a)(3)(C)), and to encourage the Commission to provide direction to Ameren for future procurement and 8-103 Plan presentations. Moreover, to be clear, residential customers must receive a proportionate share of programs commensurate with the amount of dollars collected from residential customers through the Section 8-103 rider. While it is possible the Commission could still coordinate its conclusions in the IPA Procurement docket, Docket No. 13-0546, with this the conclusions in this docket, at a minimum, the People urge the Commission to, at a minimum, enter an order in this docket that directs Ameren to include the standard CFL and Behavior programs in their package of programs presented to the IPA in years 8 and 9 (2015 and 2016) of this three-year plan, so that the recommendations of the People in this docket can be realized.

Notwithstanding its arguments against the AG recommendation, Ameren notes in its brief that if the Commission does remove programs from Plan 3 in anticipation of them being implemented through the IPA portfolio, the freed up 8-103 funds should be used for residential moderate income programs to replace those planned savings removed from that customer class (as recommended by CUB). AIC Brief at 36. The People would support that modification to the AG proposal.

AIC further argues that the AG has not considered what would happen if a program is removed from the 8-103 portfolio but not accepted by either the IPA or the Commission. AIC IB at 37. Further, Ameren states that it is entirely possible that vendors would not want to agree to the different rules, including that the IPA Plan could allow competing programs and could require pay for performance contracting." *Id.*

These arguments are not persuasive for a couple of reasons. First, as noted by Mr. Mosenthal, current market saturation in Illinois for residential CFL lighting is not likely a constraint on available savings from the CFL program. Recent studies have indicated that even in states that have aggressively promoted CFLs, current socket saturation rates are around 30% or lower. AG Ex. 1.0 at 14. Moreover, AIC has presented no evidence that vendors would suddenly stop being interested in providing this program simply because it was being offered under a different statutory provision.

AIC further points to a proposed order in Docket No. 13-0546 as another hurdle to overcome in enacting the AG recommendation, which found that utilities cannot be expected to presume which programs will be approved in Section 8-103 proceedings when they submit efficiency procurement bids in the IPA docket. AIC IB at 37. This argument, too, is not credible. Section 16-111.5B specifically references expansions of Section 8-103 programs. 220 ILCS 5/16-111.5B(a)(2), (a)(3)(C). Ameren most certainly has control over which programs that have typically been provided under Section 8-103 can be bid into the IPA portfolio. For example, AIC would have an existing (or anticipated) contract for the delivery of Behavior programs, just as it has stated to the Commission in this docket that it intends to contract to provide a Behavior program. For the IPA Procurement process, AIC would simply bid in the electric portion of Behavior program budget.

With respect to CFL lighting, AIC is already delivering, overseeing and administering *a single* CFL program for standards and specialty bulbs, but has bid the specialty lighting piece into the IPA portfolio. Yet, this is still in reality a single program with a single vendor. AIC's suggestion that the vendor is performing double the retailer visits (one for IPA and one for Ameren) is a fiction. It is important to note, too, that both the IPA program and Section 8-103 programs are funded through the Section 8-103 rider. *See* 220 ILCS 5/16-111.5B(a)(6). Thus, while the basis for funding is different statutory provisions, the funding and collection source is the same.

In the instant case, there would be no need for Commission approval of Section 8-103 CFL and Behavioral programs if they are in fact bid and shifted to the IPA portfolio. The only factor that matters is whether the proposed IPA programs are cost-effective. We know from the evidence in this docket that both CFL and residential Behavior programs are very cost-effective. That fact will not change if the programs are offered through the IPA portfolio.

Finally, AIC complains that administering a combined electric/gas program, such as the residential Behavioral Modification program, would be administratively complex and burdensome. This argument, too, is a smoke screen. Ameren, along with the other, separate electric and gas utilities in Illinois, all offer jointly delivered programs under different statutory provisions (Section 8-103 and 8-104) wherein electric costs and savings are tracked separately from gas costs and savings. Evaluation of savings and tracking of costs of the program could take place just as it would have under jointly delivered programs under Section 8-103. For example, the electric portion of the Behavior program could be bid into the IPA portfolio budget, with the costs associated with the gas portion of the program being recovered under the Section 8-104 funding. AIC would still maintain overall administrative control, with the program delivered as a single program.

. The People urge the Commission to reject the smoke screen created by Ameren that efforts to efficiently and wisely spend ratepayer dollars by coordinating and leveraging Section

8-103 and IPA programs – all while maximizing energy savings -- is untenable. The Commission should enter an order in this docket that orders AIC to transfer the CFL and Behavioral residential programs to the IPA portfolio, and use those freed up dollars to expand offerings to moderate income residential programs. At a minimum, AIC should be instructed to make those changes for PY 7 and 8.

(b) Cost-Ineffective Measures

In their Initial Brief, the People generally supported the policy reasons behind allowing certain cost-ineffective measures as a part of an overall plan. See AG IB at 28. The People acknowledge that certain cost-ineffective measures should be included for reasons such as early promotion of market transforming measures, preserving vendor relations of currently cost-ineffective measures, and supporting comprehensive treatment of customer facilities when performing retrofits. AG IB at 28; AG Ex. 1.0 at 47. Nonetheless, the Commission should be aware of, and direct Ameren to implement, certain limitations on cost-ineffective measures, namely the removal of high-efficiency furnaces and boilers and the inclusion of LED lighting. AG IB at 28. The People appreciate the fact that Ameren has agreed to these limitations (AIC IB at 47) and urge the Commission to adopt the People's proposal on these measures.

(a) High Efficiency Furnaces and Boilers Should Be Removed From the AIC Gas Portfolio

Even after weighing the important policy considerations discussed above, the People simply could not find it likely that including the high efficiency furnace and boiler program would somehow result in the establishment of longer-term robust efficiency goals. AG IB at 28. Ameren's initial request to continue providing rebates for high efficiency furnaces and boilers no longer passes the TRC test and AG witness Mosenthal opposed including this program in the overall plan for a number of reasons which he articulated in his testimony. AG IB at 28; AG Ex. 1.0 at 48-49.

Ameren has agreed to eliminate the cost-ineffective residential furnace and boiler measures from its Plan. AIC IB at 47. In addition, it raised concerns about the impact of removing this program on customers with household incomes within the 200% to 400% of poverty range and conditioned removal of the program upon an agreement to redistribute these funds to the "Moderate Income Program." AIC IB at 47. The People continue to support Ameren's recommendation and appreciate its concern for an otherwise occasionally overlooked residential group. Therefore, the People urge the Commission to accept Ameren's proposal and remove the high efficiency furnace and boilers program from the overall gas portfolio.

Finally, the People reiterate that another important policy reason for removing this program is the ability for Ameren to shift budgets that are currently allocated to promoting non-cost-effective measures to supplement gas budgets in combined programs, which has the effect of also allowing greater electric efficiency to be captured. AG IB at 28. For these reasons as well as those articulated in the People's Initial Brief on this issue, Ameren's proposal to eliminate the high-efficiency furnaces and boilers from the gas portfolio should be endorsed by the Commission.

(b) LED lighting

Ameren has agreed to re-assign program dollars saved from the recalculation of CFL costs and savings to the creation of an LED lighting program. AIC IB at 47; AIC Ex. 7.0 at 7. The People support this plan modification. However, as noted in the People's Initial Brief, the program dollar figures assigned to this new measure should be based on the additional costs and savings computed in Mr. Mosenthal's recalculation of the CFL standard lighting program, discussed earlier in this Brief. Therefore, for the reasons presented in the People's Initial Brief, the Commission should adopt the People's proposal on LED lighting.

2. Proposed New Programs

(a) Pilot C&I Program

In their Initial Brief, the People supported testimony presented by IIEC that Ameren's energy efficiency and demand response programs fail to engage large industrial and commercial customers and the People recommended that the Commission urge Ameren to address these deficiencies in this next three year plan. AG IB at 31; IIEC IB at 6-7. In support of this position, the People noted that these large customers frequently have to work with multi-year budgets and construction cycles that can last several years. AG IB at 31. Until recently, Illinois has been plagued by an inability or hesitancy on the part of utilities to commit resources to a large multi-year project absent Commission approval for spending on programs that spans the full period of potential construction. AG IB at 31. However, as the People noted in their Initial Brief, Section 8-103 of the Act was recently modified to allow Ameren to consider its electric goals as cumulative three year goals as opposed to single year goals. 220 ILCS 5/8-103(b).

In its Initial Brief, Ameren notes its commitment to add a Large C&I Pilot Program similar to the program proposed by IIEC. AIC IB at 52; *see* AIC Ex. 6.1. Ameren has also reallocated a portion of its budget to the pilot and offers to continue working with IIEC and commercial and industrial customers to provide additional program offerings within the confines of the Act. AIC IB at 52. The People appreciate Ameren's willingness to include the large commercial and industrial customers in its plan. Therefore, in consideration of the arguments presented in this brief as well as the People's Initial Brief, the Commission should direct Ameren to work with these large customers and be willing to commit reasonable resources to future projects absent formally approved programs and plans. The Commission should include in its

Order a requirement that the Company report to the SAG its progress, if any, in developing a large C&I program that attempts to meet the needs of this customer group.

(b) Data Center Program

ELPC witness Geoff Crandall testified that data centers can offer substantial and cost-effective efficiency opportunities that should be pursued by Ameren. ELPC Ex. 1.0 at 10-15. ELPC urged in its Brief that the Commission should require Ameren to, within six months, work with the SAG to either develop a unique data center program or, as Mr. Mosenthal recommends, revamp the Company's custom program to give its customers access to data center efficiency measures and implementation expertise. ELPC IB at 11. Mr. Mosenthal's recommendation to retain Data Center Program measures within the existing Custom program should be adopted.

As noted in the AG Initial Brief, AG witness Mosenthal disagreed that Ameren needs a dedicated, separate "data center program" in which to encourage, promote and capture this potential savings. AG IB at 33. As noted by Mr. Mosenthal, Ameren offers a Custom program for business customers. This program allows for any cost-effective efficiency measures to be adopted and provided financial incentives. AG Ex. 2.0 at 11. It also provides customized outreach and technical assistance to any C&I customer to assist in identifying appropriate opportunities. Mr. Mosenthal testified that he does not believe Ameren needs to offer a program specific to data centers to effectively capture this efficiency potential. In fact, because so many data centers are a portion of larger facilities that likely have many other efficiency opportunities, he stated a more flexible approach through the Custom program is desirable to ensure that all cost-effective opportunities in the customer's facility are identified and promoted. *Id.*

Ultimately, while these opportunities can be effectively captured through the Custom program, Mr. Mosenthal encouraged the Commission to direct Ameren to target this important market in the Custom program and ensure it develops specific strategies to identify, market to, and assist data centers with efficiency upgrades. AIC, in its Brief, concurs with the AG position that a dedicated Data Center program is necessary, noting that such efficiency efforts can and are being accommodated in the Company's existing Business Custom program. AIC IB at 55-7.

For the above-stated reasons, the ELPC recommendation, while well-meaning and creative, should be rejected as unnecessary. Mr. Mosenthal's recommendation to advise AIC to incorporate a meaningful Data Center offering within the existing Custom Program in its revised Plan should be adopted by the Commission.

(d) Conservation Voltage Reduction Program

Both ELPC and CUB propose that Ameren develop and deliver, in its efficiency portfolio, a voltage optimization program. *See* CUB IB at 15-17; ELPC IB at 14-17. In their Initial Brief, the People noted that voltage optimization ("VO") technology *can be* a cost-effective approach to better manage the electrical grid and it can achieve some reductions in energy demand. AG IB at 33. However, adopting voltage optimization is a supply-side solution to efficiency that is completely under the control of the utilities, is invisible to customers, and does not require any customer action to be successful, unlike efficiency and demand response programs created under Section 8-103 of the Act. AG IB at 33. Therefore, the People reiterate their position that it is inappropriate to pursue this measure with the very limited demand-side management funding resources in Illinois. AG Ex. 2.0 at 12. Rather, the People urge the Commission to reject the proposal of ELPC and CUB and allow Ameren to recover these costs consistent with how it recovers other distribution system capital and maintenance costs, and not use the limited DSM funds established under Section 8-103 of the Act for this purpose.

Like the People, Ameren urges the Commission to reject the Voltage Optimization recommendations by CUB and ELPC because "(1) there is not enough data with respect to broader system operability; (2) it has not been found to be cost-effective as a demand response program; and (3) it is not appropriate to spend Section 8-103 funds on such a program." AIC IB at 61. Ameren also raised concerns about the cost-effectiveness of such a program. AIC IB at 61. While Staff does not directly have an opinion on CUB and ELPC's proposal, Staff does note the existence of Riders and other recovery mechanisms that do not draw on the limited energy efficiency funds to achieve a similar outcome. See Staff IB at 35.

The People agree with Ameren that any installation, operation or maintenance of a voltage optimization program should remain with the utility and outside of the energy efficiency portfolio. Furthermore, this issue is not appropriately addressed in this docket. Therefore, the People urge the Commission to reject the proposal of CUB and ELPC on this issue.

3. Additional Financing To Customers For Energy Efficiency Measures

(a) Workshops

(b) On-bill Financing

The People, in their Initial Brief, urged the Commission to direct Ameren to pursue On Bill Financing ("OBF") in its program as a mechanism to reduce costs. AG IB at 35. This appears to be in line with financing proposals by ELPC and CUB. ELPC IB at 18; CUB Ex. 2.0 at 20. Ameren has, in the past, used ratepayer funds to set up administrative support for OBF, as directed by 220 ILCS 5/16-111.7. AG Ex. 2.0 at 10. Now that the program has proven highly successful and the Company burned through the minimum funding requirement of $5 million, Ameren discontinued offering OBF. AG IB at 35. The arguments presented in Ameren's Initial Brief, however, put the cart before the horse and the Commission should urge Ameren to evaluate including an OBF program or a similar cost-reducing mechanism in its plan.

There are concerns in this docket about reducing costs and meeting savings goals. The People noted that OBF provides a significant tool for Ameren to expand the goals it pursues within the budget limits. AG IB at 35. CUB took particular note of the success of Ameren's previous OBF program. CUB Ex. 2.0 at 20. ELPC encourages the Commission to direct Ameren to implement some form of financing mechanism, be it OBF or another type of program, in order to achieve more energy savings out of a limited budget. ELPC IB at 18.

The purpose of the discussion of OBF in Mr. Mosenthal's testimony and in the People's Initial Brief is to present a mechanism that could somehow account for Ameren's request to have the Commission approve goals that are significantly adjusted downward from the intended statutory goals articulated in Sections 8-103 and 8-8 104 of the Act as a result of budget limits. AG IB at 35; AG Ex. 2.0 at 10. Given this downward adjustment, Ameren should still be somehow otherwise obligated to attempt to maximize the savings that it can reasonably capture within these budget limits. *Id.* Mr. Mosenthal targeted OBF as a mechanism to accomplish this because he "believes that it provides a significant tool for Ameren to expand the goals it pursues within the budget limits." AG Ex. 2.0 at 10.

Ameren, however, raises a number of issues in its Initial Brief that quite apparently miss the point of the Intervenors' arguments. Specifically, Ameren raises objections having to do with the sources of funding, statutory restrictions, and whether the issue of OBF is properly before the Commission in this docket. AIC IB at 66. As noted above, Ameren's objections place the cart before the horse. The original OBF plan was a separately docketed proceeding, with several rounds of comments, workshops, and a briefing schedule. *See, generally,* ICC Docket No. 10-0095. The questions that Ameren raises would most appropriately be answered or discussed in a workshop setting in a separate docket such as 10-0095. They are not the type of detail-oriented questions that can appropriately be answered during the briefing of the instant docket. The point of the People's argument was not to hash out all of the intricate details of an OBF program. Rather, the point of the People's argument was to encourage Ameren to find some type of financing program that will serve as a mechanism to reduce program costs for customers. AG IB at 35. Given the success of the original OBF program, it seemed to be a natural fit to recommend continuation of OBF.

In that regard, the Commission should direct Ameren to submit a revised plan with substantially higher goals, consistent with Mr. Mosenthal's Direct Testimony as well as that of NRDC Witness Grevatt, CUB Witness Devens, and ELPC Witness Crandall. In particular, at a minimum, Ameren should be directed to: shift the Behavior and CFL programs to the IPA procurement mechanism; adjust estimates of program costs and savings as appropriate and consistent with CUB Witness Devens showing that Ameren's current proposal inappropriately estimates costs much higher than it has historically spent per unit of savings; and to include OBF as a mechanism to reduce program costs.

VI. POLICY ISSUES

A. Net to Gross Ratio Values

1. Spillover and Free Ridership Factors for NTG Values

As noted in the AG Initial Brief, AIC witness Goers in Rebuttal Testimony stated that the only witness to raise concerns about the recognition of spillover (Staff witness Brightwell) ultimately agrees to include both spillover and free ridership when calculating the NTG values. AIC Ex. 6.0 at 25; Staff Ex. 2.0 at 3-5. Mr. Goerss further stated that he agreed with Mr. Mosenthal's recommendation that the Commission recognize spillover as a legitimate factor and with his comment that spillover can be an assumed value deemed by the SAG and the EM&V contractor, regardless of whether there is any formal study on it. AG Ex. 1.0 at 45; AIC Ex. 6.0

at 25-26. In its Initial Brief, Ameren requests clear Commission approval that spillover and free ridership factors be included when calculating NTG values. AIC IB at 78-80.

No party appears to have challenged that request. All parties, thus, agree that both components can and should be used in the derivation of NTG ratios. The Commission should approve an order that makes that provides for exactly that.

2. Modified NTG Framework Proposals

In its discussion of which NTG framework should be approved by the Commission in this order, AIC argues that its proposed methodology, which would take the NTG values (as determined by the independent evaluators) and the TRM update values (as determined by the Technical Advisory Committee ("TAC") which is a subcommittee of the SAG) that are known by March 1st and apply those prospectively for the following Plan Year. Ameren argues that this process would reduce litigation and "ensures that all NTG values would be determined by a Commission-verified independent source (the EM&V contractor) and all TRM values would be determined by the same entity tasked with doing so now (the TAC)." AIC IB at 81.

The problem with this approach, as noted by Staff witness Hinman, is that under AIC's approach, there is a two-year lag between the time the NTG values go into effect for prospective application. That is, the PY1 evaluations are not complete until midway through PY2 and would not apply for prospective application until PY3. Staff Ex. 2.0 at 18. As a result, prospective application estimates savings based on conditions that are about *two years old* at the time the NTG ratio values are being applied. As Staff notes in its Brief, when the market is stable, this may be a reasonable approach. But when the market is changing, a NTG ratio value that is two years out of date by the time it is applied is problematic because it requires utility ratepayers to bear all of the risk in times of uncertain market conditions. Staff IB at 49-50.

To address significant market change, Staff's NTG Framework, which is supported by the AG with one caveat, discussed below, has two components. (Staff Ex. 2.0, 17.) First, it removes the ambiguous phrase "significant" market change. Instead of a "significant" market change triggering a retrospective evaluation, there will be a partially retrospective application at times when the parties cannot reach consensus on a prospective NTG value. The second part is changing the retrospective application that occurs under the previously approved NTG Framework to a potentially partial retrospective application. As noted by AG witness Mosenthal, one of the underlying disputes among parties that caused delays was disagreement about how to define whether a program or market has changed significantly. AG Ex. 1.0 at 38. The new Staff-proposed modified NTG framework, simply requires that EM&V consultants work jointly to recommend a single comprehensive set of best-estimate NTG values to use for each program, even when there is no historic Illinois evaluation to rely on or whether or not a program or market is undergoing significant change. Further, it establishes a schedule that, if kept to, resolves concerns about not having certainty by March 1, thereby Ameren and other utilities with the savings-calculation-certainty they desire

In arguing against adoption of the compromise Staff NTG framework, AIC disingenuously asserts that Staff's and Intervenors' NTG Frameworks would impermissibly grant decision-making authority to the SAG over critical aspects of the Plan, which runs counter to the Commission's previous findings in Ameren Illinois' Plan 2 approval docket, in conflict with a recent Commission order. AIC IB at 82. This argument mischaracterizes the Staff proposal and ignores recent Commission orders in Docket 12-0528 and 13-0077, which approved the development of annual Technical Resource Manuals, which are established and updated by members of the SAG with the assistance of independent evaluators on an annual basis. This process incorporates a similar give-and-take among stakeholders, along with the approval of a consensus-building process incorporating SAG member votes. The updated TRM is then submitted to the Commission for approval.

The NTG framework being advocated by the Staff – with Staff's inexplicable insistence that the NTG framework process, unlike the TAC process, would permit single parties to have multiple votes – follows this same template of permitting SAG members to work together to develop the numeric inputs to the calculation of net energy savings for the various program measures. To suggest that this collaborative framework in any way seeks to usurp Commission authority is absurd, given the TRM framework that the Commission already approved, as well as the Commission's previous approval of the AG-proposed NTG framework in all utility dockets during the approval of the Utilities' Plan 2. Staff's modified framework streamlines the process approved in those previous dockets, and in no way usurps Commission authority. *See* Final Orders in ICC Docket Nos. 10-0570, 10-0568 (Ameren Plan 2), 10-0564 and 10-0562 (approving NTG Framework).

AIC next argues that the Staff- proposed NTG approach incorporates a retroactive adjustment component in instances where there is non-consensus on establishing a net value, which runs counter to the Commission's decision in Docket No. 13-0077 (TRM Policy docket) that AIC states emphasized the importance of applying resolved measure level values prospectively to the following plan year as opposed to the retroactive approach requested by Staff. AIC IB at 82-83. This argument misses the mark, too. There is a difference between a collaborative process designed to investigate net savings, which is used to adjust the total estimated "gross" savings from all measures tracked through the program to estimate the true "net" effect that the program has produced (AG Ex. 1.0 at 35) and the TRM, which establishes numeric measure inputs for calculating savings. The Commission should resist AIC's to gloss over these significant differences.

AIC further argues that the Staff-proposed modified framework is burdensome and time-consuming. AIC IB at 83-84. But ensuring that the efficiency measures ratepayers pay for are cost-effective should not be a process, as AIC proposes, of averaging dated evaluations. While it may add include four months of deliberations, this collaboration is a critical aspect of ensuring that savings are calculated on a net – not gross – basis, as required by both Section 8-103 and 8-104. The intent of the framework is to give the utilities certainty by March 1. Assuming parties behave reasonably, there is no reason to believe that will not occur. The bottom line is that AIC's desire for certainty in establishing savings values (and thereby avoiding penalties under Section 8-103 and 8-104 of the Act) must not take precedence over ensuring that the energy efficiency programs that are designed for and financed by ratepayers are truly cost-effective, as required under these statutory provisions. 220 ILCS 5/ 8-103(a), 8-104(a).

Finally, the AG will not repeat all of the reasons why Staff's proposal to give parties – namely utility representative and subcontractors -- multiple votes in the consensus building process, notwithstanding these parties' clear financial interests in voting certain ways. The bottom line is that any framework approved by the Commission must ensure that (1) each stakeholder and each utility has one and only one vote, and (2) that any stakeholder that is a subcontractor not be permitted to vote in the NTG process. Further evaluators, while playing a key role in informing the utilities and stakeholders of their findings, must likewise not be permitted to vote. These entities operate as subcontractors to the utilities and aside from providing information and data to the SAG, have no role participating in the consensus vote.

For all of these reasons, the Commission should adopt Staff's proposed modified NTG framework, with the caveat that voting rules be established consistent with the recommendations made in this and the AG's Initial Brief.

B. Energy Efficiency Policy Manual

In addition to the continued participation with the SAG that Ameren has pledged, the People in their Initial Brief also urged the Commission to specifically direct Ameren to work with the SAG on an Illinois Energy Efficiency Policy Manual. AG IB at 45. The purpose of this policy manual, as the People have been very clear about throughout this docket, is to ultimately streamline and encourage consistency on various program-related policies for review and approval by the Commission. AG IB at 45; AG Ex. 1.0 at 52.

Unfortunately, both Staff and Ameren object to creating a policy manual. Staff IB at 76-77; AIC IB at 89. For its part, Ameren argues that it is not clear what issues would be addressed by the policy manual and also raises concerns with the amount of resources that would have to be expended on developing a statewide manual. AIC IB at 89. Staff raises concerns about the vagueness of the proposed manual and the amount of time required to develop a manual. Staff IB at 74, 77.

The People have addressed most of these arguments in their testimony and their Initial Brief and will not rehash all of the arguments here. See AG IB at 45; AG Ex. 1.0 at 52.
As noted in the People's Initial Brief, Staff witness Ms. Hinman, despite being opposed to the policy manual, also believes there is great benefit and usefulness in creating consistent approaches in evaluation processes, identification of common cost definitions and application of cost-effectiveness evaluation principles among the various utility and DCEO efficiency programs. Tr. at 47-51; AG IB at 45. Finally, it should be noted that, although it disagrees with

creation of a policy manual at this time, Ameren leaves the door open to future implementation of a policy manual through a stated commitment to discussing the future need for such a policy manual with other SAG members. AIC IB at 89; AIC Ex. 6.0 at 26.

Throughout this docket, the People have been clear about the goals associated with establishing a Policy Manual. AG IB at 45-46; AG Ex. 1.0 at 52-53. The primary goal of the proposed policy manual would be to ensure consistency in terms of monitoring savings achieved and evaluating programs. This is the same type of consistency that Ms. Hinman noted would be beneficial to the process. Tr. at 49. This is particularly true when compared with the current situation where the utility and DCEO Program Administrators and their individually selected evaluators tend to play by different rules. Contrary to the views of Staff and Ameren, the People are not seeking to further burden the SAG or create additional work that further constrains already limited resources. Rather, as discussed in the testimony of Mr. Mosenthal, the People seek to create the most efficient and consistent process possible. AG Ex. 1.0 at 52.

For these reasons, the People urge the Commission to include within its Order in this docket specific direction for the SAG to complete an Illinois Energy Efficiency Policy Manual to ensure that programs across the state and as delivered by various program administrators can be meaningfully and consistently evaluated.

C. Aligning the Timing Of The Application Of The Net To Gross Framework And Illinois Technical Reference Manual

As discussed above, Staff's proposed modified NTG framework aligns the timing of the application of the NTG framework with the Illinois TRM. Staff's proposed framework, if adopted, presents all consensus values to the Commission by March 1 – the same date in which the SAG presents the updated TRM to the Commission for approval.

AIC's Brief, at pages 89-90, suggests that their proposed NTG framework is the only one that aligns these timelines. Of course, as noted above and in Staff's Modified NTG framework, this is not true. *See* Staff Ex. 1.1. Approval of Staff's modified NTG framework will provide the alignment that AIC seeks and which makes sense for efficiently managing an efficiency portfolio. Staff's framework, with the exception of the voting rules highlighted in by the AG, should be adopted by the Commission.

D. Portfolio Flexibility

The People, in their Initial Brief, noted that Ameren is essentially proposing unlimited flexibility to modify its Plan 3 provided that it is consistent with statutory or regulatory rules. AG IB at 47. Ameren, however, claims that they are not seeking "unfettered" or "unlimited" flexibility. AIC IB at 95. Despite these claims, Ameren has specifically noted that it "seeks the flexibility to adjust all portfolio elements (program budgets, goals, incentives, etc., in addition to stopping and starting programs) as needed to achieve portfolio success." AIC Ex. 1.0 at 10. As noted by AG witness Mosenthal, this level of flexibility certainly appears to amount to unilateral permission to make these changes as it sees fit without any stakeholder or Commission approval. AG Ex. 1.0 at 29. Therefore, the People urge the Commission to not be swayed by Ameren's unsupported assurances that it is not seeking unlimited flexibility and place reasonable limits on Ameren's portfolio flexibility.

There appears to be consensus among the parties in this docket that some level of flexibility should be given to Program Administrators in the delivery of energy efficiency measures. AG IB at 47; AIC IB at 95-96. However, the People continue to contend that Ameren's request for flexibility exceeds what could be labeled as a *reasonable* amount of latitude. AG witness Mosenthal characterized Ameren's request as "far too broad", and noted that the proposal effectively allows Ameren to easily "game the system." AG Ex. 1.0 at 29. The People noted in their Initial Brief that recent changes to the Act place budget constraints that drastically limit the goals selected. AG IB at 47. The People also provided a relevant and realistic example of how Ameren could hypothetically choose to shift significant funds from relatively expensive programs to relatively inexpensive programs. AG IB at 47.

Essentially, if the Commission were to grant Ameren this unlimited ability to shift funds, Ameren would be virtually guaranteed to easily meet any approved goal simply by shifting more resources to the cheapest programs. Because the budget cap constraints prevent Ameren from pursuing all cost-effective efficiency resources in each market, they have significantly more flexibility to ramp up the least expensive programs. AG IB at 47. Therefore, the reality is simply that Ameren *could* game the system in order to easily meet its goal simply by shifting from more expensive to less expensive programs. AG IB at 47.

In response to this probability, the People presented a reasonable alternative to Ameren's proposal that involves asking the Commission to establish limits on flexibility that *would not prevent* Ameren from exceeding them should they so choose, but rather, would trigger goal adjustments. Specifically, AG witness Mr. Mosenthal proposed that any shifts of budgets that result in a variance from planned annual program budgets of 20% or more would trigger goal adjustments. AG IB at 47; AG Ex. 1.0 at 32. This plan could also work in Ameren's favor if it is having success with an expensive program and wanted to shift funds into it from a cheaper program. *Id.* It is also important to note that Mr. Mosenthal's proposed 20% budget shift per program limit is consistent with the Commission's directions given to the SAG in Ameren's first Plan order that the stakeholder process should review any program budget shifts where the change is more than 20%. AG IB at 47.

Finally, Mr. Mosenthal recommended that the Commission order Ameren to first bring any proposed modifications to the SAG for discussion and ideally to build consensus around the change. This should happen whether or not the 20% limit is exceeded, but is particularly important for significant changes. The SAG has proven to be an effective sounding board to allow various stakeholders to provide input and ultimately help build support for the programs and provide the program administrators with an added level of security in knowing if any stakeholders have major concerns prior to any after-the-fact litigation. *Id.* at 34-35.

In its Initial Brief, Ameren primarily argues that any requirement to consult or seek approval from the SAG or the Commission would unfairly restrict Ameren Illinois from timely responding to market changes. AIC IB at 96. This argument misconstrues Mr. Mosenthal's recommendation, however, and impinges on the goals of seeking maximum achievement of energy savings goals through a collaborative process. First, the People agree that a certain level of flexibility is necessary to respond to market and program changes. However, the amount of flexibility that Ameren requests is no longer an asset to the marketplace, it becomes a liability because it is overly broad and, as described in greater detail in the People's Initial Brief, it fosters an ability to "game the system." AG IB at 47; AG Ex. 1.0 at 29.

Ameren also suggests that seeking some level of SAG or Commission approval would prevent it from making timely changes in order to respond to market conditions. AIC IB at 96. However, the People made it clear that such approval would only be necessary in situations where any program budget shifts would result in a change of more than 20%. The purpose of the proposed approval is not to hinder Ameren's ability to respond to market conditions. Additionally, Mr. Mosenthal made it clear that he was not suggesting that the SAG should have the authority to overrule a program administrator decision. AG Ex. 1.0 at 34-35. Rather, the

SAG involvement is designed to ensure that all stakeholders are aware of proposed changes and that Ameren has the opportunity to consider differing points of view prior to any final decision. In the event that a modification does require a modified goal, it can also reduce contentious litigation by ensuring all parties reach consensus on the exact amount to modify goals.

As to Ameren's argument that there is no evidence in the record to suggest that Ameren has misused its flexibility in the past, the People agree and note that no intervenor in this party has suggested that Ameren *has* actually gamed the system. Ameren seems to miss the point of this argument. The People are encouraging the Commission to put in place reasonable limits that will still allow Ameren the flexibility to be able to respond to market changes and fund appropriate programs. AG IB at 48. Finally, the People salute Ameren for pledging its continued involvement with the SAG. However, in the absence of some form of limitation on Ameren's flexibility, it is free to disregard the SAG and make any program moves that it deems fit. This is what the People are seeking to prevent. At the end of the day, too, this is a program paid for by ratepayers – not shareholders. AIC needs to, and should, consult the representatives of the customers the program is designed to serve – the SAG members.

Staff, for its part, recommends some limitations on Ameren's flexibility that include cost-effectiveness screening in its quarterly reports to the Commission; a requirement that Ameren prudently respond to changes; avoid over-promotion of cost-ineffective measures; and practical spending requirements. Staff IB at 82. While the People appreciate Staff's additional limitations on Ameren's requested flexibility, these measures do not go far enough to prevent the situation that the People have described above where Ameren could take advantage of an opportunity to shift resources in such a way as to swap out resources or otherwise "game the system." AG IB at 47.

It should also be noted that CUB supports the People's proposal, stating that the People's "recommendations strike a balance between providing Ameren with the necessary flexibility to manage the portfolio while still ensuring that the Company administers the programs approved in this Plan in the manner approved in this Plan filing and comes as close as possible to meeting the statutory annual incremental goals." CUB IB at 21.

For all of these reasons as well as those presented in the People's Initial Brief, the People urge the Commission to adopt the People's proposal to limit flexibility such that any shifts of budgets that result in a variance from planned annual program budgets of 20% or more would trigger goal adjustments should be adopted by the Commission. Further, the Commission should enter an Order that makes clear that utilities should continue to bring all proposed program shift proposals to the SAG for input and comment.

E. Application of Total Resource Cost Test

F. Aligning Savings Goals According to Changes in Values

Ameren states at pages 103-104 of its Brief that it seeks approval to adjust its savings goals on a prospective basis at the beginning of each plan year, to account for changes in NTG and TRM values that vary from those values used to estimate the savings in its Plan 3 filing. AIC summarizes the proposal as "simply taking the values used to calculate the savings goals for this filing and updating the calculation to reflect the adjusted values." AIC IB at 103.

Recognizing the proposal for the terrible public policy that it is, the AG, NRDC and CUB all argued against permitting such a change in the rules established by Section 8-103 and 8-104 of the Act. *See* AG Ex. 1.0 at 40-42; NRDC Ex. 1.0 at 27; CUB Ex. 2.0 at 11-12. In a nutshell, AIC is proposing that it be provided with a moving target for the achievement of savings goals, no matter how poorly it might perform. This proposal should be soundly rejected by the Commission.

As noted in the AG Initial Brief, there are numerous reasons why Ameren's request for certainty in achieving savings goals should be rejected. First, NTG values can be highly influenced by program administrator actions, such as program mid-course corrections, and this would remove any incentive for utilities to strive for higher NTG values and to make appropriate program changes when NTG values are becoming increasing low. AG Ex. 1.0 at 40. For example, the utility would be indifferent if their assumed CFL NTG value of 0.44 dropped to 0.05 because its goals would simply be adjusted to accommodate this unfortunate outcome. *Id.*

Instead, the utility should have a clear incentive to forecast likely NTG results and make program changes as necessary to ensure it is not expending resources inappropriately on things that are largely transformed in the market already. In this scenario, for example, Mr. Mosenthal noted that the utility should raise eligibility requirements, perhaps shift the CFL promotion to LEDs or only specialty bulbs, consider targeted approaches to reach non-free riders, or perhaps discontinue the program altogether. *Id.* Ameren is asking for this sort of flexibility, and with the diverse portfolio of programs and measures it is proposing, it has ample opportunity to make annual modifications to their Plan to accommodate newly determined (but applied only prospectively) NTG values and still meet the Commission-approved goals. Further, while Ameren should anticipate likely shifts in NTG values over time and act on these forecasts, adoption of the proposed NTG framework also ensures that utilities will have 90 days prior to each program year start to make changes once the values are certain. *Id.*

Ameren also proposes that goals be adjusted based on changes to realization rates. This proposal, too, is ill-conceived. First, as noted in the AG Initial Brief, realization rates reflect the ratio of gross savings that a utility has tracked and estimated to the actual estimated gross savings from impact evaluations. This variance in gross savings can come from a number of things, including utility errors in its database, failure to accurately apply the agreed upon TRM values, or other factors *that are generally in control of the utilities and/or their contractors*. As a result, realization rates going forward should be presumed for planning purposes to be 1.0. In other words, from a planning perspective one should assume the savings being tracked in the database are correct based on the established TRM rules and actual program activity. AG Ex. 1.0 at 41.

To the extent an evaluator makes an adjustment to gross savings because they find a variance in the savings, this is simply part of the evaluators job of determining if the savings were counted properly. Because variances between tracked savings and final evaluation numbers can reflect adjustments for factors under the utility's control (e.g., errors, inappropriate application of the TRM, etc.), the utility should be held accountable for these realization rate adjustments. *Id.*

Ameren also proposes that goals be adjusted based on any annual changes to the TRM. This proposal is yet another inappropriate policy, as explained by AG witness Mosenthal and as cited in the AG Initial Brief. Mr. Mosenthal testified that the TRM is a living document, and it is imperative that it go through annual updates to modify any values for which there is now better information, or to add new measures. The TRM and TRM policy dockets[2] were established, and procedures agreed to, to ensure a timely update process whereby program administrators will know any TRM changes by March 1 of each year, 90 days prior to the beginning of the next program year and use of the next TRM version. This allows utilities the opportunity to modify plans, shift promotions of measures, incentive levels, etc. as they see fit to manage these known and certain changes. AG Ex. 1.0 at 41-42.

[2] Docket Nos. 12-0568 and 13-0077, respectively.

It is important that the utilities be held to an overall goal and are incented to make appropriate annual adjustments to ensure prudent programs. Because the portfolio is highly diverse and includes numerous programs and hundreds of measures, there is plenty of opportunity for utilities to make these appropriate adjustments and accommodate TRM changes annually. Alternatively, if the utility simply gets to adjust all goals whenever the TRM changes it has no incentive to make appropriate midcourse corrections. For example, if the TRM determined that a measure was saving very little energy and no longer cost-effective, the utility could still simply pursue that measure and get full credit for goals based on the number of measures rebated, even when this is no longer in the ratepayers interest. *Id.* at 42; *See* AG IB at 51-53.

AIC argues in its Brief that (1) no party has challenged AIC's commitment to efficiency programs; (2) that it has spent some 90% of ratepayer dollars collected over the last six years[3]; and (3) it should be accorded some flexibility in goals to account for uncertainties such as changes in EISA standards. AIC IB at 104-105. To be clear, the OAG does not challenge AIC's claimed commitment to efficiency. The Ameren Program Administrators have repeatedly demonstrated a willingness to reach out to stakeholders and seek expert input throughout the SAG process – a tendency that is much appreciated and valued. However, that commitment and engagement does not justify the elimination of all risk for the utility as it administers its efficiency programs. Incentives must remain for Program Administrators to consistently monitor and, if need be, adjust program components to ensure that these offerings are working best for ratepayers and are triggering maximum energy savings. The bottom line is that a risk-free evaluation environment must not be established by the Commission in this Order. AIC's request

[3] This claim is challenged in NRDC's Initial Brief.

to adjust savings goals as a result of changes to the TRM, realization rates and NTG variables should be rejected.

G. Banking of Savings

Based on the briefs filed, there appears to be consensus on the issue of banking. In sum, all parties who addressed the issue agreed or conceded that (1) both Commission precedent and the recent amendment to Section 8-103 permit banking within the individual years of a three-year Plan; and (2) that banking should not be permitted between three-year Plan filings. *See,* e.g., AIC IB at 107; AG IB at 55-59. The Commission should adopt this principle in its Final Order in this docket.

H. CFL Carry-forward Savings

In their Initial Brief, the People noted that Ameren Illinois' proposed Plan 3 goals did not include CFL carry-forward savings from bulbs purchased during Plan 2. AG IB at 57. Although the savings are unknown, they could potentially be substantial. AG IB at 57-58; AG Ex. 1.0 at 25. The counting of CFL carry-forward savings has generally been contentious and there remains some level of ambiguity as to how it should be calculated. Ameren has agreed to adjust its Plan 3 savings goals upward by the amount of CFL carryover savings from PY5-6 for future years. AIC IB at 109. This amount will, ultimately, be what the Commission approves in the PY5 and PY6 savings goals compliance dockets.

Therefore, the People urge the Commission to direct Ameren to adjust upward its Plan 3 goals to account for the still unknown level of CFL carryover savings from bulbs purchased in PY5-6.

VIII. CONCLUSION

WHEREFORE, the People of the State of Illinois respectfully request that the Commission enter an order consistent with the recommendations made in the People's Initial and Reply briefs.

Respectfully submitted,

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